

Towing Fuel Adjustment Proposal

Non-Consent Tow

1. Annual Fuel Adjustment
2. Adjust the non-consent tow rate component that includes diesel fuel costs
 - a. Diesel fuel costs are included in the "Purchases" cost item of the IBIS World cost structure
 - b. The calculation will leave all other cost components level and adjust this cost item by the change in the Transportation Index (Houston-Galveston-Brazoria, TX)
3. Calculation Trigger for Fuel Adjustment:
 - a. The fuel adjustment calculation as described in No. 2 above is performed on an annual basis if: 1) the average annual price of diesel fuel as reported by OPIS for the San Antonio area is below \$3.83; or, 2) the average annual price of diesel fuel as reported by OPIS for the San Antonio area is above \$3.95.
 - Current rate developed from index data through – Oct. 30, 2012
 - Oil Price Information Service (OPIS) average San Antonio diesel price for Oct. 30, 2012 is \$3.83 – this becomes the trigger floor
 - 2013 growth factor built into the final proposed rate is 3.30% increasing the \$3.83 to \$3.95 – this becomes the trigger ceiling
 - \$3.95 is the diesel fuel price imbedded in the proposed \$177 rate
 - b. If the average annual price as reported by OPIS is between \$3.83 and \$3.95, there is no fuel adjustment calculation.